

IN MEETING ITEM
MEMORANDUM



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TO: THE COMMISSION

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FROM: Utilities Division

2001 AUG 15 P 4:27

DATE: August 15, 2001

AZ CORP COMMISSION
DOCUMENT CONTROL

RE: IN THE MATTER OF THE APPLICATION OF VERIZON CALIFORNIA, INC.,
FOR APPROVAL OF A LOCAL INTERCONNECTION AGREEMENT WITH
Z-TEL COMMUNICATIONS, INC. (DOCKET NOS. T-01846B-01-0572 AND
T-03589A-01-0572)


On July 20, 2001, Verizon California, Inc. ("Verizon") filed an Application for approval of an Interconnection Agreement between Z-Tel Communications, Inc. ("Z-Tel"). The term of the Agreement shall be effective upon Commission approval and remain in effect until June 1, 2003. The Agreement could be extended by either party, if written notice is provided at least ninety (90) days prior to the Termination Date. The Agreement governs the terms and conditions under which Verizon will offer Interconnection services to Z-Tel.

The Telecommunications Act of 1996 ("1996 Act") directed incumbent local exchange carriers to make their networks available for interconnection and resale by new entrants to the local exchange market. The 1996 Act provides for interconnection and resale agreements to be concluded by voluntary negotiation. This Agreement between Verizon and Z-Tel was voluntarily negotiated, without resort to arbitration.

Under the terms of the Agreement, Verizon will provide specified local exchange services for Interconnection, Resale, Collocation and Unbundled Network Elements to Z-Tel. Generally, Verizon services will be made available to Z-Tel for resale at a 10.9 percent discount.

According to the 1996 Act and State Rule, the Commission must approve voluntarily negotiated interconnection and resale agreements if their provisions are non-discriminatory and in the public interest. Staff has reviewed the Agreement and finds it to be non-discriminatory and in the public interest. Verizon is offering the same terms and conditions of the Agreement to all other interested parties. The Agreement is in the public interest because it will act to further competition in the local exchange market in Arizona.

Since there are no grounds for rejection of the Agreement pursuant to Section 252(e)(2)(A) of the 1996 Act, Staff recommends that the Commission approve the Interconnection Agreement between Verizon and Z-Tel.


Steven M. Olea
Acting Director
Utilities Division

SMO:EAA:lhmm\MAS

ORIGINATOR: Erinn Andreasen

Arizona Corporation Commission

DOCKETED

AUG 15 2001

DOCKETED BY



1 **BEFORE THE ARIZONA CORPORATION COMMISSION**

2 WILLIAM A. MUNDELL
Chairman

3 JIM IRVIN
Commissioner

4 MARC SPITZER
Commissioner

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6 IN THE MATTER OF THE APPLICATION)
OF VERIZON CALIFORNIA, INC., FOR)
7 APPROVAL OF AN INTERCONNECTION)
AGREEMENT WITH Z-TEL)
8 COMMUNICATIONS, INC.)

DOCKET NOS. T-01846B-01-0572
T-03589A-01-0572

DECISION NO. _____

ORDER

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10 Open Meeting
August 28 and 29, 2001
11 Phoenix, Arizona

12 BY THE COMMISSION:

13 FINDINGS OF FACT

14 1. On July 20, 2001, Verizon California, Inc. ("Verizon") filed an application for
15 approval of an Interconnection Agreement between Verizon and Z-Tel Communications, Inc. ("Z-
16 Tel"). The term of the Agreement shall be effective upon Commission approval and remain in
17 effect until June 1, 2003. The Agreement could be extended by either party, if written notice is
18 provided at least ninety (90) days prior to the Termination Date. The Agreement governs the
19 terms and conditions under which Verizon will offer Interconnection services to Z-Tel.

20 2. The Telecommunications Act of 1996 ("1996 Act") directed incumbent local
21 exchange carriers to make their networks available for interconnection and resale by new entrants
22 to the local exchange market. The 1996 Act provides for interconnection and resale agreements
23 to be concluded by voluntary negotiation.

24 3. This Agreement between Verizon and Z-Tel was voluntarily negotiated, without
25 resort to arbitration.

26 4. Under the terms of the Agreement, Verizon will provide specified local exchange
27 services for Interconnection, Resale, Collocation and Unbundled Network Elements to Z-Tel.
28 Generally, Verizon services will be made available to Z-Tel for resale at 10.9 percent discount.

1 5. According to the 1996 Act and Commission Rule, the Commission must approve
2 voluntarily negotiated interconnection and resale agreements, if their provisions are non-
3 discriminatory and in the public interest.

4 6. Staff has reviewed the Agreement and finds it to be non-discriminatory and in the
5 public interest. Verizon is offering the same terms and conditions of the Agreement to all other
6 interested parties. The Agreement is in the public interest because it will act to further
7 competition in the local exchange market in Arizona.

8 7. Since there are no grounds for rejection of the Agreement pursuant to Section
9 252(e)(2)(A) of the 1996 Act, Staff has recommended that the Commission approve the
10 Interconnection Agreement between Verizon and Z-Tel.

11 CONCLUSIONS OF LAW

12 1. Verizon is an Arizona public service corporation within the meaning of Article XV,
13 Section 2, of the Arizona Constitution.

14 2. The Commission has jurisdiction over Z-Tel and over the subject matter of the
15 Application.

16 3. The Commission, having reviewed the Application and Staff's Memorandum has
17 determined that the Resale Agreement negotiated between Verizon and Z-Tel meets the
18 requirements of Section 252(e)(2)(A) of the 1996 Act which governs the approval of voluntarily-
19 negotiated agreements and is in the public interest.

20 4. The Commission maintains jurisdiction over the subject matter of the Agreement
21 and Amendments thereof, to the extent permitted pursuant to the powers granted the Commission
22 by the Arizona Constitution, Statutes, Commission Rule, and the 1996 Act and the Rules
23 promulgated thereunder.

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ORDER

IT IS THEREFORE ORDERED that the Commission hereby approves the Interconnection Agreement between Verizon and Z-Tel filed on July 20, 2001.

IT IS FURTHER ORDERED that this Decision shall become effective immediately.

BY ORDER OF THE ARIZONA CORPORATION COMMISSION

CHAIRMAN

COMMISSIONER

COMMISSIONER

IN WITNESS WHEREOF, I, BRIAN C. McNEIL, Executive Secretary of the Arizona Corporation Commission, have hereunto, set my hand and caused the official seal of this Commission to be affixed at the Capitol, in the City of Phoenix, this ____ day of ____, 2001.

BRIAN C. McNEIL
Executive Secretary

DISSENT: _____

SMO:EAA:lhM/MAS

Decision No. _____

1 SERVICE LIST FOR: Verizon California Inc., and Z-Tel Communications Inc.

2 DOCKET NOS. T-01846B-01-0572 and T-03589A-01-0572

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